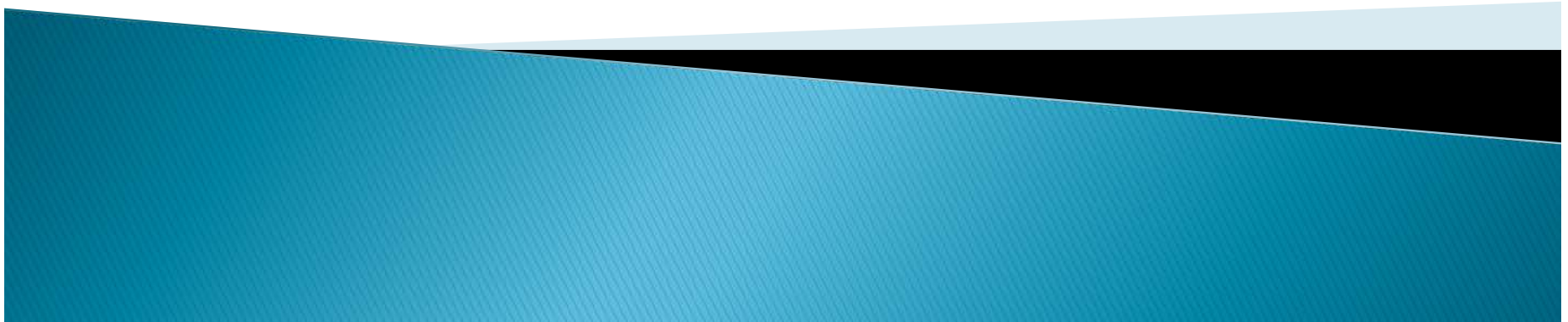


Massachusetts Bay Transportation Authority Standing Committee on Finance and Audit

FINAL FISCAL YEAR 2015 BUDGET REQUEST

MARCH 25, 2014



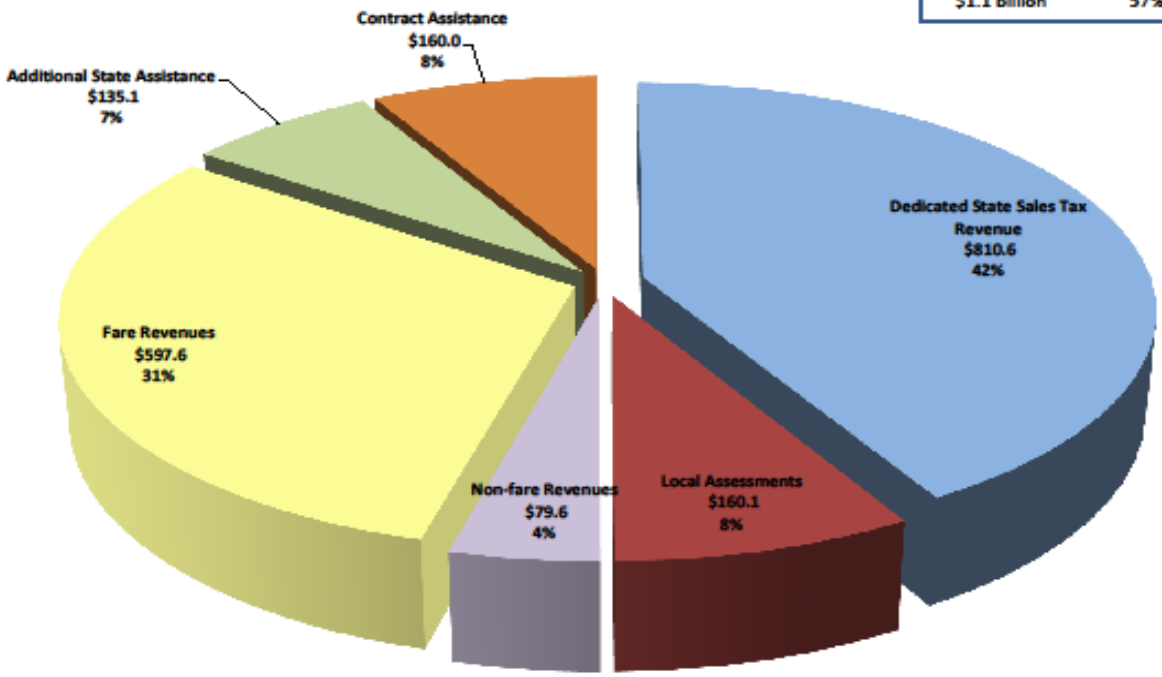
Massachusetts Bay Transportation Authority
Statement of Revenue and Expenses
Reconciliation of Preliminary Budget to the Final FY16 Budget

REVENUE	FY16 Budget	Preliminary Budget to Board	Inor/Deo since Preliminary Budget	Reasons for changes since Preliminary Budget
Operating Revenues				
Revenue from Transportation	597,647,752	597,647,752	0	
Other Operating Revenue	48,527,035	48,527,035	0	
Total Operating Revenue	646,174,787	646,174,787	0	
Non-Operating Revenues				
Dedicated Local Assessments	160,135,712	160,135,712	0	
Dedicated Sales Tax	810,637,174	810,485,307	151,867	Sales Tax Certification
Contract Assistance	160,000,000	160,000,000	0	
Additional Assistance	135,100,000	135,100,000	0	
Other Income	31,045,029	30,721,416	323,613	Additional Cape Flyer Revenue
Total Non-Operating	1,296,917,816	1,296,442,436	475,480	
TOTAL REVENUES	1,843,092,703	1,842,617,222	475,481	
EXPENSES				
Operating Expenses				
Wages	493,470,467	491,594,413	1,876,054	
Fringe Benefits				
Pensions	76,874,710	76,585,293	289,417	
Healthcare	110,187,626	106,779,626	3,408,000	284 additional healthcare premiums @ \$12K for new positions
Group Life	584,316	584,316	0	
Disability Insurance	0	0	0	
Workers' Comp	11,170,527	11,170,527	0	
Other Fringe Benefits	234,171	234,171	0	
Total Fringe Benefits	198,061,361	196,363,833	3,897,418	
Health & Welfare Fund	10,436,865	10,436,865	0	
Payroll Taxes				
FICA	37,750,491	37,606,973	143,518	
Unemployment	1,320,087	1,320,087	0	
Total Payroll Taxes	39,070,578	38,927,060	143,518	
Materials, Supplies and Services	237,872,565	234,897,565	2,975,000	Net increase from departmental materials and service cuts, Efficiency Diagnostic Study
Casualty and Liability	16,566,513	16,566,513	0	
Purchased Commuter Rail Service	384,346,300	384,346,300	0	
Purchased Local Service Subsidy	122,116,771	137,185,759	(15,068,988)	New RIDE contract savings
Financial Service Charges	5,990,000	5,990,000	0	
Total Operating Expenses	1,608,821,410	1,616,298,408	(8,376,997)	
Debt Service Expenses				
Interest	240,945,845	240,945,845	0	
Principal Payments	178,695,803	178,695,803	0	
Lease Payments	4,296,777	4,296,777	0	
Total Debt Service Expenses	423,938,425	423,938,425	0	
TOTAL EXPENSES	1,932,868,836	1,939,236,833	(8,378,997)	
Net Revenue	10,232,887	3,380,388	(8,852,478)	
Transfer				
NET Revenue in Excess of Expenses	10,232,887			

without debt service
44.9%
39.6%
Way Forward - FY16
33.0%

Massachusetts Bay Transportation Authority
Fiscal Year 2015 Budget
Revenues

State Contribution	
<u>\$ Amount</u>	<u>% of Revenue</u>
\$1.1 Billion	57%



State and Local Funding = \$1.266 Billion
Total Revenue = \$1.943 Billion

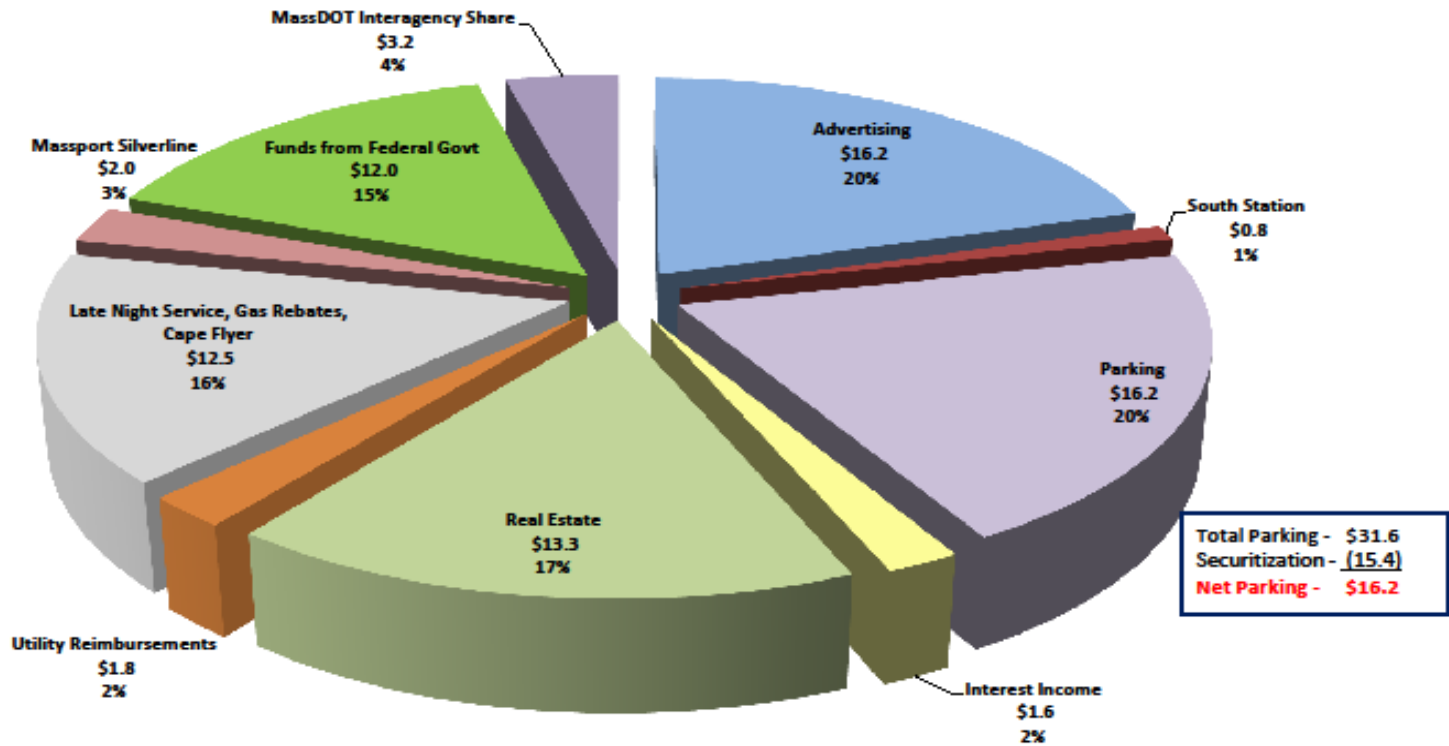
FY15 Fare Revenue & Ridership

DRAFT

	Fare Increase - CTPS Analysis		FY15 Budget
	High	Low	
Fare Revenue FY14 Projection	\$573.8	\$573.8	
Fare Revenue Increase	24.5	20.0	
Fare Revenue FY15 Budget	\$598.3	\$593.8	\$597.6

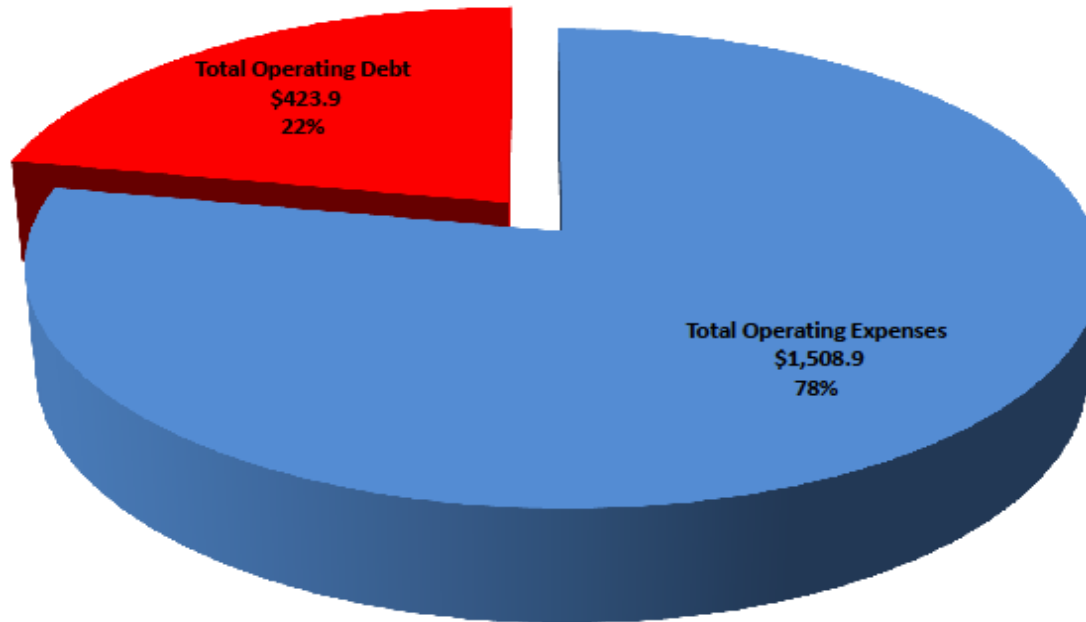
Ridership Loss - Annual (unlinked trips)		
Spreadsheet Model	-3.8M	-0.9%
Regional Transit Demand Model	-2.8M	-0.7%

Massachusetts Bay Transportation Authority
Fiscal Year 2015 Budget
Non-Operating Revenues



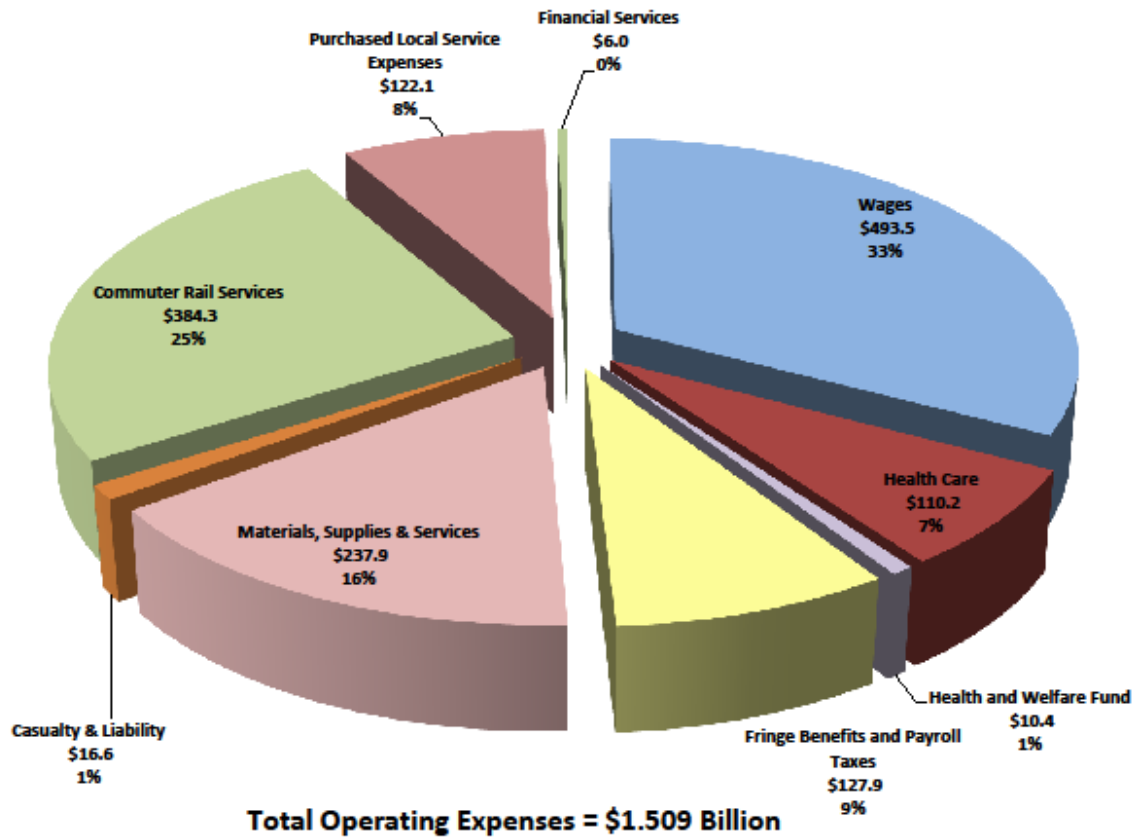
Total Non-Operating Revenue = \$79.6 million

Massachusetts Bay Transportation Authority
Fiscal Year 2015 Budget
Total Expenses



Total Operating and Debt Expenses = \$1.933 Billion

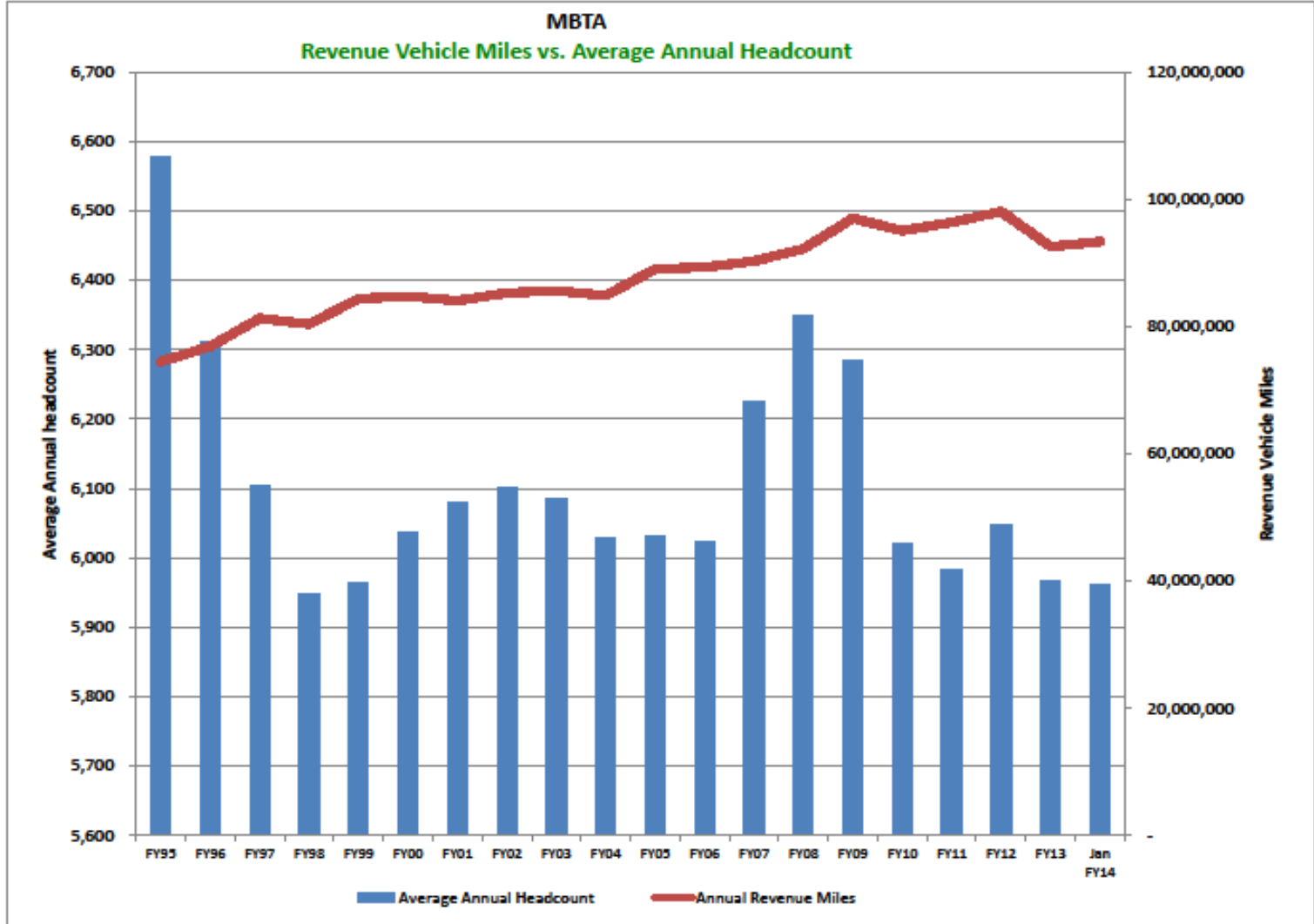
**Massachusetts Bay Transportation Authority
Fiscal Year 2015 Budget
Operating Expenses**

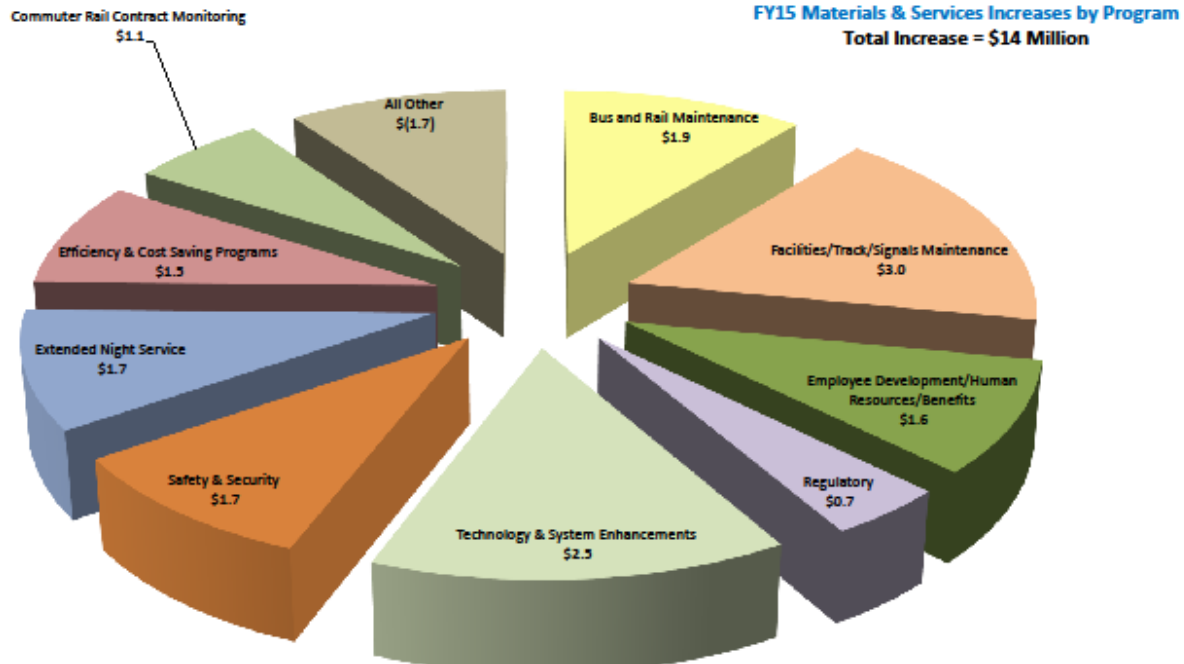


Massachusetts Bay Transportation Authority

FY15 Headcount Increases by Programs

Headcount Programs	Service	Revenue Opportunities /Cost Savings	Regulatory	Maintenance	Other	Total
Extended Weekend Night Service	109					
Extended Off Peak Bus Service	24					
Commuter Rail contract: Commuter Rail		28				
Commuter Rail contract: ITD		4				
Parking Services Coordinator		1				
Assistant Director OHS-Medical Drug/Alcohol Testing Programs		1				
Employee Assistance Program Coordinator		1				
OTA RIDE Coordinator		1				
Director of Employee Availability		1				
Technical writer: Employee Availability		1				
Maintenance Support Desk				2		
Bus Maintenance: Non-Revenue Vehicles				8		
Bus Life Cycle Maintenance Program				20		
Specialized Signal Testing				4		
Revive & Guide: Station Modernization				8		
Fare Gate Maintenance				2		
Power Projects				16		
Other Maintenance				3		
Asset Management			2			
FTA Compliance Manager			1			
Project Coordinator: Environmental			1			
Climate Change Specialist			1			
Manager Hazardous Materials			1			
Safety Fatigue Management (10 hour rule)			26			
Training and Workforce Development Programs					15	
ITD Systems and Data Security Applications					3	
Totals	133	38	32	63	18	284





Technology and System Enhancements IT systems upgrades for Payment Card Industry compliance, security, employee availability tracking, mobile ticketing, and cloud hosting of Financial Management Information System

Safety and Security Hazard and risk analysis, security infrastructure maintenance, and MassDOT drug testing

Extended Night Service Fuel and utilities, vehicle maintenance parts, and marketing and schedule cards

Efficiencies and Cost Savings Programs Authority-wide efficiency diagnostic study, fuel hedge and contract cleaning

Commuter Rail Contract Oversight Technical support for field surveys and ROW issues, drainage studies, and locomotive conditions

Bus and Rail Maintenance End of life vehicle component parts

Facilities, Track and Signals Maintenance Energy management software for consumption modeling, asset management program, automated fare collection replacement materials, and power systems maintenance training

Employee Development/Human Resources Classification and compensation study, MassDOT University training, MBTA Lottery, and FTA required review of employment tests and practices

Regulatory Environmental compliance for Way Finding, hazardous materials handling, and waste management programs

Massachusetts Bay Transportation Authority
Statement of Revenue and Expenses

	FY13 Actuals	FY14 Budget	FY15 Budget	FY15 % Incr/Decr over FY14 Budget	FY15 \$ Incr/Decr over FY14 Budget
REVENUE					
Operating Revenues					
Revenue from Transportation	564,560,142	569,188,335	597,647,752	5.0%	28,459,417
Other Operating Revenue	50,156,937	45,370,348	48,527,035	7.0%	3,156,687
Total Operating Revenue	614,717,079	614,558,683	646,174,787	5.1%	31,616,104
Non-Operating Revenues					
Dedicated Local Assessments	155,921,367	157,149,865	160,135,712	1.9%	2,985,847
Dedicated Sales Tax	786,866,936	799,295,175	810,637,174	1.4%	11,342,000
Contract Assistance	160,000,000	160,000,000	160,000,000	0.0%	0
Additional Assistance	0	118,059,456	135,100,000	14.4%	17,040,544
Other Income	76,835,317	17,492,276	31,045,029	77.5%	13,552,753
Total Non-Operating	1,179,623,620	1,251,996,772	1,296,917,915	3.6%	44,921,144
TOTAL REVENUES	1,794,340,699	1,866,555,455	1,943,092,703	4.1%	76,537,247
EXPENSES					
Operating Expenses					
Wages	422,107,187	432,264,428	493,470,467	14.2%	61,206,039
Fringe Benefits					
Pensions	62,488,163	71,047,148	76,674,710	8.2%	5,627,562
Healthcare	111,025,479	109,687,835	110,187,626	0.5%	499,791
Group Life	1,039,087	702,045	584,318	-16.8%	(117,729)
Disability Insurance	43,204	13,459	0	-100.0%	(13,459)
Workers' Comp	9,130,028	10,313,118	11,170,527	8.3%	857,409
Other Fringe Benefits	5,168,800	238,192	234,171	-1.7%	(4,021)
Total Fringe Benefits	188,894,770	192,001,797	199,051,351	3.7%	7,049,554
Health & Welfare Fund	0	0	10,436,865	0.0%	10,436,865
Payroll Taxes					
FICA	32,181,733	33,068,229	37,750,491	14.2%	4,682,262
Unemployment	1,271,459	1,892,886	1,320,087	-30.3%	(572,799)
Total Payroll Taxes	33,453,192	34,961,115	39,070,578	11.8%	4,109,463
Materials, Supplies and Services	201,255,412	223,861,869	237,672,565	6.3%	14,010,696
Casualty and Liability	17,548,437	15,728,736	16,566,513	5.3%	837,777
Purchased Commuter Rail Service	347,056,161	387,616,249	384,346,300	-0.8%	(3,269,949)
Purchased Local Service Subsidy	113,015,495	130,304,027	122,116,771	-6.3%	(8,187,256)
Financial Service Charges	5,860,429	5,990,000	5,990,000	0.0%	0
Total Operating Expenses	1,329,191,083	1,422,728,222	1,508,921,410	6.1%	86,193,189
Debt Service Expenses					
Interest	237,966,390	239,787,256	240,945,845	0.5%	1,158,589
Principal Payments	196,134,046	198,982,899	178,695,803	-10.2%	(20,287,096)
Lease Payments	2,379,913	5,057,079	4,296,777	-15.0%	(760,302)
Total Debt Service Expenses	436,500,349	443,827,234	423,938,425	-4.5%	(19,888,809)
TOTAL EXPENSES	1,765,691,432	1,866,555,456	1,932,859,835	3.6%	66,304,380
Net Revenue	28,649,267	(0)	10,232,867		
Transfer	(28,649,267)				
NET Revenue in Excess of Expenses*	(0)	(0)	10,232,867		

Recovery Ratios	without debt service	with debt service
Revenue	44.9%	35.0%
Fare	39.6%	30.9%
Way Forward - FY15		
	33.0%	